GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1009
ANSWERED ON:19.07.2002
COST OF PRODUCTION OF TEA
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the average cost of production of tea in different States alongwith the labour cost;

(b) the difference between the average cost of production of tea in India and those of the neighbouring countries such as Sri Lanka, Bangladesh and China; and

(c) the comparative cost of imported tea from these countries and others alongwith the custom duty thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a): The region-wise estimated cost of production of tea and the labour cost during 2000-01 is as follows :-

(Rs./Kg.)

States/Region	Cost of Production	Labour Cost
Assam Valley	65.00	33.31
Cachar	55.00	23.24
Dooars	62.50	33.00
Terai	62.50	26.88
Darjeeling	135.00	88.18
Tripura	55.00	23.65
South India	55.00	23.65

(b): The difference between the average cost of production of tea in India and those of the neighbouring countries such as Sri Lanka and Bangladesh is furnished below :-

(US$/Kg.)

Country	Cost of Production	Difference over Sri Lanka	Difference over Bangladesh
India	1.59		
Sri Lanka	1.46	(+) 0.13	
Bangladesh	0.93		(+) 0.66

The Cost of Production of tea in India is higher by US$ 0.13 per kg. over Sri Lanka and US$ 0.66 per kg. over BangladeshThe Cost

of Production of tea in China is not available from any source and as such the difference over China cannot be furnished.

(c): The unit cost including freight (CIF) price of teas imported from Sri Lanka, Bangladesh and China into India during 2001 is given below :-

Country	Unit CIF Price (Rs./Kg.) (2001)	#Customs Duty in India (%)
Sri Lanka	89.43	70+
Bangladesh	55.10	70
China	30.00	70

+ However under the Tariff Rate Quota of the Free Trade Agreement between India and Sri Lanka, teas imported from Sri Lanka attract an import duty of 7.5% only.

The Customs Duty on all tea imports has been increased to 100% for 2002-03.